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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

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DOUG LITTLE – Chairman

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BOB STUMP

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DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
BERMUDA WATER COMPANY FOR A
DETERMINATION OF THE FAIR VALUE OF ITS
UTILITY PLANT AND PROPERTY AND FOR
INCREASES IN ITS WATER RATES AND
CHARGES FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO. W-01812A-15-0421

PROCEDURAL ORDER
(RATE CASE)

BY THE COMMISSION:

On December 29, 2015, Bermuda Water Company (“Bermuda” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application requesting that the Commission establish the fair value of its plant and property used for the provision of public water utility service and, based on such finding, approve permanent rates and charges for utility service designed to produce a fair return thereon.

On January 7, 2016, Bermuda filed a Notice of Errata.

On January 28, 2016, the Commission’s Utilities Division (“Staff”) filed a Letter of Sufficiency indicating that the application met the sufficiency requirements outlined in Arizona Administrative Code (“A.A.C.”) R14-2-103, and classifying the Company as a Class B utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **September 28, 2016, at 10:00 a.m.**, at the Commission’s offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona, and shall continue, if necessary, on **September 29 and 30, 2016.**

1 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **September 21,**
2 **2016, at 10:00 a.m.,** at the Commission's offices, 1200 West Washington Street, Hearing Room No.
3 1, Phoenix, Arizona.

4 IT IS FURTHER ORDERED that the **direct testimony** and associated exhibits to be presented
5 at hearing on behalf of **Staff or Intervenors** shall be reduced to writing and filed on or before **July 26,**
6 **2016.**

7 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
8 presented at hearing by **the Company** shall be reduced to writing and filed on or before **August 23,**
9 **2016.**

10 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
11 presented by **Staff and intervenors** shall be reduced to writing and filed on or before **September 13,**
12 **2016.**

13 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
14 presented at the hearing by **the Company** shall be reduced to writing and filed on or before **September**
15 **20, 2016.**

16 IT IS FURTHER ORDERED that **all testimony** filed shall include a **table of contents** listing
17 the issues discussed.

18 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m.** on the date the filing
19 is due.

20 IT IS FURTHER ORDERED that **the parties shall prepare, jointly or individually, and**
21 **bring to the pre-hearing conference, copies of an issues matrix/matrices** setting forth all disputed
22 issues in this case and the position of each party on the disputed issue.

23 IT IS FURTHER ORDERED that **any objections to prefiled testimony or exhibits shall be**
24 **made on or before the date of the pre-hearing conference.**

25 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105,
26 except that all motions to intervene must be filed on or before **May 2, 2016.**
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1 IT IS FURTHER ORDERED that **discovery** shall be as permitted by law and the rules and
2 regulations of the Commission, except that until **August 26, 2016**, any objection to discovery requests
3 shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be made
4 within 10 calendar days of receipt. Thereafter, objections to discovery request shall be made within 5
5 calendar days and responses shall be made within 7 calendar days. The response time may be extended
6 by mutual agreement of the parties involved if the request requires an extensive compilation effort.

7 IT IS FURTHER ORDERED that the parties shall attempt to resolve discovery disputes through
8 informal, good-faith negotiations prior to seeking Commission resolution of the controversy.

9 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
10 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
11 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
12 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
13 that the party making such a request shall forthwith contact all other parties to advise them of the
14 hearing date and shall at the hearing provide a statement confirming that the other parties were
15 contacted.

16 IT IS FURTHER ORDERED that any **substantive corrections, revisions, or supplements to**
17 **prefiled testimony** shall be reduced to writing and filed no later than five days before the witness is
18 scheduled to testify.

19 IT IS FURTHER ORDERED that any response to a motion shall be filed within five calendar
20 days of the filing date of the motion.

21 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five days
22 of the filing date of the response to the motion.

23 IT IS FURTHER ORDERED that **the Company shall provide public notice** of the hearing in
24 this matter, in the following form and style, with the heading in no less than 12-point bold type and the
25 body in no less than 10-point regular type:
26
27

28 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. Arizona time will be considered as received the next business day.

**IN THE MATTER OF THE APPLICATION OF BERMUDA WATER
COMPANY FOR A DETERMINATION OF THE FAIR VALUE OF ITS
UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS WATER
RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON
DOCKET NO. W-01812A-15-0421**

Summary

On December 29, 2015, Bermuda Water Company ("Bermuda" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application requesting that the Commission establish the fair value of its plant and property used for the provision of public water utility service and, based on such finding, approve permanent rates and charges for utility service designed to produce a fair return thereon. Bermuda requests authorization to increase its rates to generate total revenues by \$809,422, or 23.18 percent over test year revenues of \$3,491,672. For information about how Bermuda's revenue increase would affect your individual bill, you may contact Bermuda at *[COMPANY INSERT APPROPRIATE CONTACT INFORMATION]*.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding Bermuda's proposed rates. The Commission will determine the appropriate relief to be granted based on the evidence of record in the proceeding. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY BERMUDA, STAFF, OR ANY INTERVENOR; THEREFORE, THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM AND MAY BE HIGHER OR LOWER THAN THE RATES REQUESTED BY BERMUDA OR RECOMMENDED BY OTHER PARTIES.**

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed rates are available from Bermuda *[COMPANY INSERT HOW AND WHERE AVAILABLE]*; at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, for public inspection during regular business hours; and on the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **September 28, 2016, at 10:00 a.m.**, at the Commission's offices at 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona. Public comments will be taken on the first day of hearing.

Written public comments may be submitted by mailing a letter referencing Docket No. W-01812A-15-0421 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using the "Submit a Public Comment" link. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. However, failure to intervene will not preclude any

interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

To request intervention, you must file an **original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington Street, Phoenix, AZ 85007, **no later than May 2, 2016**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission. Information about intervention and sample intervention requests are available on the Commission's website (www.azcc.gov) using the "Intervention in Utility Cases" link.

Your request to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to Docket No. W-01812A-15-0421;
3. A short statement of your interest in the proceeding (e.g., a customer of the utility, a shareholder of the utility, etc.); how you will be directly and substantially affected by the outcome of the case; and why your intervention will not unduly broaden the issues in this case.
4. A statement certifying that a copy of the request to intervene has been mailed to Bermuda or its counsel and to all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before May 2, 2016. If representation by counsel is required by Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SAbernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that **the Company shall, by April 1, 2016, mail a copy of the above notice** to each current customer by first class U.S. mail **and have the notice published** in a newspaper of general circulation in its service territory.

IT IS FURTHER ORDERED that **the Company shall, by May 1, 2016, file certification of mailing and publication** of the above notice.

1 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
2 publication, notwithstanding the failure of an individual to read or receive the notice.

3 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
4 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
5 in this matter is final and non-appealable.

6 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
7 31, 38, and 42, and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

8 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
9 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
10 Supreme Court Rule 42). Representation before the Commission includes the obligation to appear at
11 all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
12 for discussion, unless counsel has previously been granted permission to withdraw by the
13 Administrative Law Judge or the Commission.

14 IT IS FURTHER ORDERED that the time period specified herein shall not be extended
15 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.


16 IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this
17 matter may opt to receive service of all filings in this docket, including all filings by parties and all
18 Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the
19 Commission's Hearing Division, via email sent to an email address provided by the party rather than
20 via U.S. Mail. To exercise this option, a party shall:

- 21 1. Ensure that the party has a valid and active email address to which the party has regular
22 and reliable access ("designated email address");
- 23 2. Complete a Consent to Email Service form, available on the Commission's website
24 (www.azcc.gov) or a substantially similar format;
- 25 3. File the original and 13 copies of the Consent to Email Service form with the
26 Commission's Docket Control, also providing service to each party to the service list;
- 27
- 28

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17 Assistant to Scott M. Hesla
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